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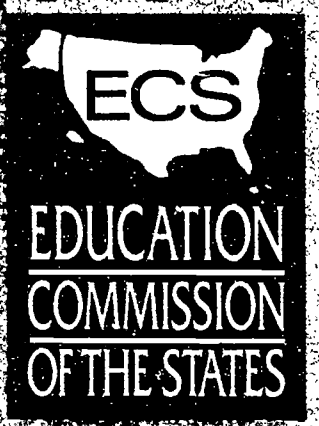
ABSTRACT

This report summarizes a panel discussion among five college administrators who have initiated or taken part in restructuring efforts in their states: Herman Blake, vice chancellor for undergraduate education at Indiana University-Purdue University; Ronald Carrier, president of James Madison University (Virginia); Gordon Davies, director of the State Council of Higher Education for Virginia; Judith Ramaley, president of Portland State University (Oregon); and Charles Reed, chancellor of the State University System in Florida. Following statements by each panel member, their responses to questions from the audience are provided. Topics covered include the following: meaning of "restructuring," the implementation process and its resulting consequences, financial constraints and societal needs and expectations. cultural change, course elimination, implementation of new technologies, school stability, funding needs, the reward structure, transforming the undergraduate student culture from one of credit acquisition to one of learning, resource allocation and curriculum change, accountability and production figures, faculty and administrator roles, and cutting rules and regulations. (CK/DB)



POLICY PAPER ON HIGHER EDUCATION

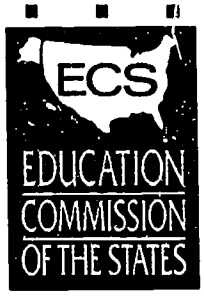
Restructuring Colleges and Universities: The Challenges and Consequences

RESTRUCTURING COLLEGES AND UNIVERSITIES

The Challenges and Consequences

April 1996

Education Commission of the States
707 17th Street, Suite 2700
Denver, Colorado 80202-3427
303-299-3600
FAX: 303-296-8332
e-mail: ecs@ecs.org



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ACKNOWLEDGMENTS

This report is an edited transcription of a session at the 1995 ECS National Forum and Annual Meeting. The session was organized and facilitated by Gordon Davies, director of the State Council of Higher Education in Virginia. Panel members included Judith Ramaley, president, Portland State University; Charles Reed, chancellor, State University System of Florida; Herman Blake, vice chancellor for undergraduate education, Indiana University-Purdue University; and Ronald Carrier, president, James Madison University.

This report is one in a series of policy papers funded by the Pew Charitable Trusts and produced by the ECS Higher Education Unit. Amy Sebring, research associate; Donna Payne-Greenberg, research associate; and Charles S. Lenth, director of policy studies, contributed to various aspects of this report.

FOREWORD

In the last two years, a number of states have initiated some form of higher education restructuring. These initiatives, driven by changes in financial support, rising costs and shifting educational needs have, in turn, required higher education leaders to change how they think about and manage public institutions of higher learning.

This monograph provides readers access to the ideas and experiences of leading postsecondary administrators who oversee the organization and implementation of restructuring efforts in their states and institutions. Even when postsecondary institutional leaders and state-level policymakers agree that restructuring is necessary, they have limited practical experience with proven policy and procedural frameworks that guarantee success. This document offers the reader practical insight from major states and educational institutions who came together in Denver to discuss what restructuring means to them and to the institutions in their charge. They asked themselves whether fundamental structural reform at the institutional level results from decreased public funding or whether there is an intrinsic need for change within the academy. Whatever the causes, the participants in this conversation agreed that the restructuring process needs to involve a serious and careful reevaluation of higher education's roles in society and how these are fulfilled at the institutional level.

Gordon Davies, director of the State Council of Higher Education for Virginia, organized and facilitated the session. The initiatives he has led in Virginia illustrate how states can create guidelines for individual institutions which will significantly restructure how those institutions establish goals and develop operational procedures. Judith Ramaley, president of Portland State University, discussed how Oregon institutions were impacted by severe cuts in their budgets and forced to establish restructuring efforts. Charles Reed, chancellor of the State University System of Florida, pointed out that enrollment growth within limited resources greatly impacted Florida's postsecondary institutions, and that state efforts continue to have significant ramifications on institutional procedures. Herman Blake, vice chancellor for Undergraduate Education at Indiana University-Purdue University, cautioned restructuring proponents to remember the importance of focusing on student and institutional needs. Ronald Carrier, president of James Madison University, illustrated the pressures which are brought upon faculty and institutional leadership as a result of restructuring efforts.

The Education Commission of the States (ECS) is pleased to publish this discussion on restructuring colleges and universities. Our sincere appreciation goes to the panel participants and others who contributed their time and ideas.

Charles S. Lenth
Director of Policy Studies, Higher Education

RESTRUCTURING COLLEGES AND UNIVERSITIES: THE CHALLENGES AND CONSEQUENCES

This brief report summarizes a rich discussion among higher education leaders directly involved in "restructuring" public colleges and universities to reduce their per-student costs and make them more educationally effective. The discussion took place at a session of the National Forum and Annual Meeting of the Education Commission of the States in Denver, Colorado, on July 13, 1995. The panel members included five administrators who have initiated or taken part in restructuring efforts in their states: Herman Blake, vice chancellor for undergraduate education at Indiana University-Purdue University in Indianapolis; Ronald Carrier, president of James Madison University in Harrisburg, Virginia; Gordon Davies, director of the State Council of Higher Education for Virginia; Judith Ramaley, president of Portland State University in Oregon; and Charles Reed, chancellor of the State University System in Florida.

GORDON DAVIES, Director, State Council of Higher Education for Virginia: While much of the literature that crosses all of our desks is filled with discussion about restructuring in higher education, few authors have addressed the actual implementation process and its resulting consequences. What we bring you are reports from the trenches. We would like to discuss with you what it is really like out there, not the theoretical literature about restructuring, but the actual experiences we have had in either trying to ratchet whole systems or individual institutions into different ways of looking at the world. We would also like to spend some time talking about the consequences. How have our jobs actually changed? What are the personal consequences of undertaking to restructure institutions that have enormous structural resistance to change?

The term "restructuring" evokes a range of meanings. The significance of restructuring seemingly derives as much from individual experience as from any commonly understood definition, making it a difficult topic to discuss. When the issue is raised on campus or in the statehouse, many faculty and administrators instinctively fear that restructuring is a euphemism for downsizing, which is not necessarily true. For some, restructuring means taking steps to ensure an institution's capacity to serve its students and sponsors as changes occur in knowledge, technology and external demands made on higher education. From this perspective, restructuring takes a view of the academy that stresses the well-being and effectiveness of the institution as a whole rather than of single parts in isolation. Further, it views and evaluates the institution in terms of how well it serves the manifest needs of society as opposed to considering only how well the academy satisfies its own intrinsic values. Sometimes the impetus to restructure is the desire to reach the next level of excellence; sometimes it is the will to survive another semester.

In Virginia, we have embarked on a systemwide set of restructuring initiatives under which each institution defines its own plan. Administrators, faculty members and policymakers embrace different definitions of restructuring, as will many of you here today. Let me begin by posing a

general question to the panelists. Is the restructuring of colleges and universities simply a reaction to the lack of adequate funding, or is there an intrinsic need to change what we are doing and how we do it?

JUDITH RAMALEY, President, Portland State University: The answer is yes. There is an intrinsic need to change, or at least review, our standard operating procedures. In Oregon, the inevitability of major reductions in state general support focused attention on the need to rethink how an institution's mission is developed and supported. Although financial constraints may be the starting point, colleges and universities must rethink their roles in very fundamental ways that go well beyond cutting budgets in order to respond to **societal** needs and societal expectations which are ever changing.

In Oregon, a 1990 taxpayer initiative called Measure 5 (which, for any of you from California may equate to Proposition 13, although it is somewhat different) caused state colleges and universities to begin a review process that led to almost a 25% reduction in state general fund support for public higher education. This process concentrated on reviewing the administrative functions (rather than the much more cumbersome and costly academic services and instructional functions) by creating the Board Administrative Review Committee (BARC). BARC consisted of members of the State Board of Higher Education and community leaders (primarily from the business community) who began to examine how the state's major institutions use their administrative dollars. The board initially focused on the central system office (the system chancellor) and on Oregon State University. (Oregon State was about to undertake a similar process, using an outside consultant.) These reviews were modeled after similar reorganization efforts in large corporations. They were designed, first, to examine the priorities of the institutions in relationship to their mission and, second, to determine how institutions spent their money relative to their own priorities. As you might expect, when this process was complete it became clear that institutions had, over the years, stopped putting their dollars where they said their major priorities were.

At Portland State, we began our own review process about a year and a half earlier, because we were the thinnest of the institutions — the least well-funded and the least able to sustain any further budget cuts. An outside consultant conducted our review in a manner similar to the BARC process. In reporting the results, our consultant charted our priorities against our spending levels. Normally, high priorities receive more funding. In our case, the consultant found that if it was important, we starved it to death. If it was less important, we squandered what we had in our administrative portfolio on it.

For example, Portland State needed to have a strong development office to raise external resources. We spent practically nothing on that function. We also required strong staff development and faculty development in order to implement a major change we were making in how we were going to operate the institution. Our review pointed out that we only had one-half of a full-time person as a trainer and about a $20,000 budget for all staff development at that time.

As a result of this effort, we went through the BARC process in a different manner from other institutions because we had already completed a review process. We used the BARC process as a mid-course correction — to check on how well we were doing, rather than as a full-scale review. Other institutions went through it in different ways. When the BARC process was completed, the chancellor's office had been reviewed, as had the University of Oregon, Oregon State University and Portland State University. Regional colleges in the state system did not undergo such a review, but they have used some of the results to change their own behavior.

In addition to emphasizing the reduction of administrative costs, the desire to advance overall productivity (not just do more with less, but do better with less) required a real emphasis on academic productivity. The legislature requested our help in defining the term "academic productivity" as part of this process.

Many Oregon institutions, my own included, have made significant changes in their academic process, either at the undergraduate or graduate level or within their research mission. The changes went well beyond what a simple budget cut would have required. Initially, most budgets are cut horizontally — squeezing everyone. After you have cut funding across the board a couple of times, you realize you must begin to cut vertically, which means you take out particular programs. We went even further by actually redesigning everything. Portland State and a couple of other institutions have fundamentally reconsidered their undergraduate curriculum. We are now moving to another stage of looking at graduate education which we believe is also in much need of repair — not only at our own institution, but across the country. We also have been reviewing our community relationships and the nature of faculty roles and responsibilities. All these efforts have come along as natural consequences of an initial stimulus which by itself would have died away in a couple of years. The original threat of budget cuts, however, triggered a fundamental review of the nature of higher education, its role in the state and its future in supporting the state's priorities. As a result, the initial budget cuts have taken on a broader agenda.

RONALD CARRIER, President, James Madison University: At James Madison University, we are attempting to redesign the university in order to promote a cultural change we think needs to take place on campus. We are a growing institution and expect to expand to an enrollment of 15,000 to 16,000 students by the end of this decade or shortly thereafter. We are building a new campus next to our present campus, but money still is a problem.

We initiated our restructuring efforts when then Governor Wilder pointed his finger at all of us in Virginia higher education. He said, in effect, "Either you make changes in the way you deliver higher education in Virginia, or we, in government and the public, will." I took him seriously and, in response, worked with the university's governing board to pass a resolution for change. Not surprisingly, the faculty reacted with a vote to stop any restructuring.

We are persevering, however, because we must change. The current system does not work well. Through restructuring, we are attempting to change the rewards for contributions to the institution's mission and to enhance the value of education to the students. Implementing this

change has been our biggest challenge, but our consumers — the students, the taxpayers and other users of our product — are demanding we make these changes.

The public has been influenced primarily by three factors. First, taxpayers, parents and students are reacting to the increased cost of higher education. They want more accountability and some measure of output to validate their investment. We have tried to be responsive to this demand. For example, we recently put into place policies to set graduation requirements at a maximum of 120 hours. This change may seem simple, but it was not. The music department, for instance, had previously required about 155 hours to graduate. Once we decided to decrease requirements, I asked the music department faculty if we would lose accreditation under these new requirements. They said no. In order to reach the 120-hour goal, they had examined the content of their classes and discovered that many courses previously offered as full-semester classes had less than a semester of content. Therefore, they merged that content into other courses, did a better job teaching it and were able to move to 120 hours.

We also mandated a 15-20% cut in the number of courses offered. It could have been 5% or 25%, but we mandated a reduction because we wanted our faculty to teach classes more effectively. For us, the bottom line is not saving money. The bottom line is performing better, doing a better job of educating students and helping students develop better cognitive and non-cognitive skills. The first pressure for reform is cost to the students. In Virginia, students used to pay 30% of their education costs; they now pay 50%. The public sees itself as increasingly putting more money into education and expects to see results.

The second factor driving restructuring is technology We need to implement burgeoning technologies that will enhance our ability to teach and the students' abilities to learn. Finally, the third factor influencing our reform efforts is the public's demand for more collaborative education. Changing the old German model of academic departments is difficult because it involves faculty members who have taught for 25 or 30 years under this system. But, I have told the faculty, "Look, I would be mad too. I would be extremely irritated if the president told me the way I have been teaching for 30 years is no longer appropriate; it has got to be different." It is very painful to see this process take place, but it is taking place, and it will continue to take place because the public demands it.

I wrote 75 business executives in Virginia and asked, "What do you expect from the graduates of higher education in Virginia, and what do you expect from the graduates of James Madison University?" As you might expect, they talked about communication skills, both written and oral. But, they talked about other things as well. They want students who have technical skills when they graduate. They want them to enter the workforce ready and able to contribute to the business. They want them to be able to apply what they learned in the classroom and work in teams.

This is what education is about — preparing students for the workplace, giving them the skills to contribute. Finally, I must emphasize that student services are very much a part of restructuring and very much a part of the educational experience of our students. If we neglect that fact and

simply assume student services should only deal with drugs, alcohol and parties on Friday or Saturday night, we are making a mistake.

CHARLES REED, Chancellor, State University System of Florida: Stability, I think, is important in trying to bring about sustained restructuring and change, and yet, it is also a problem with which we struggle. When Ron Carrier said we want students to learn how to work better in teams, it occurred to me that, if they do that on our campus, we call it cheating. Culturally, we have a problem to overcome. Gordon Davies said universities survive semester to semester. I look at it differently. I survive from legislative session to legislative session.

The prosperity of the 1970s and 1980s is over. Given revenue limitations, the criminal justice system's increased demand for funding and the "no new taxes" mentality in America, it is clear that both education and human services are in for a long, hard ride. I do not, however, view the change in climate as all bad, in the sense that I think we need to do things differently. During the last two decades, we were on a growth path. Each year we approached legislators with requests for additional money, and typically, they granted our wishes. This year in Florida, the state senate sent a letter to all governmental agencies requesting they cut their budgets 25%. Although the 25% cuts were used only as a starting point for discussion, imagine starting 25% in the hole. After providing substantial explanations about what we were going to do differently over the next two years, fortunately we came out about 6% ahead.

Our explanations and arguments for additional funding emphasized the need to refocus our efforts on instruction. In so doing, we have put ourselves between legislators, who control the money, and faculty members, who carry out instruction. In many ways, we are between a rock and a hard place. But, if colleges and universities do not figure out how to do more with less and do it better, somebody else will figure it out for us.

I firmly believe a good offense is a better defense. A good offense requires that we involve all institutions in determining how to serve a growing number of students more effectively and more efficiently. In order to find solutions, however, you must "keep your eye on the ball." There are lots of opportunities in universities for faculty members and administrators to get you to take your eye off the ball or give you enough things to think about that you get side-tracked. Therefore, we must clarify our missions, and in so doing, we have to take on our universities' reward structures.

Our current reward structures are all out of kilter. Tenure is a reward. How do you get tenure? You do research, write, publish academic material and get promoted. Why do you get promoted? Because you are doing research and have been widely published. When we try to attract academic superstars to come to Florida, we inevitably tell them in our negotiations that they don't really have to teach. That is wrong — wrong thinking.

Changing the culture (i.e., keeping our eye on the ball in order to overcome these academic traditions) will be the hell we endure for the next five or six years. In trying to develop a plan for the university system for the 21st century, we are going to have to rule, in part, by edict. While I

believe we must, in many ways, decentralize implementation processes in higher education, we must, at the same time, centralize more decisions. For instance, when I looked at instruction, we are more productive today than we were last year and the year before last. When you start digging through the data, you figure out why. Graduate teaching assistants and adjunct faculty members are contributing more. Overall, however, when you just look at productivity levels based on faculty headcount, they have remained relatively constant. Given this data, we must ask, "If we are going to be more productive, what is fair?" I have concluded that increasing productivity in instruction and instructional related support systems by 5% is fair. Over a four- or five-year period of time, I believe we can be 20% more productive in instruction if we set the benchmarks, if we change the reward system and if we stay with it. If we do not, our legislature and governor's office will figure out how to do it for us, and we probably will not like it.

HERMAN BLAKE, Vice Chancellor for Undergraduate Education, Indiana University-Purdue University: I have been troubled by this whole discussion, to be very candid with you. I am trying to figure out why. I hear your words. I hear your ideas, but I do not hear anything about students, student learning and the substance of student learning. I am on the board of two private liberal arts colleges: Berea College in Kentucky and Earlham College in Indiana. As a board member, I spend a great deal of my time trying to figure out the essence of these institutions — what makes them unique, special and, indeed, extraordinary. In my opinion, we cannot make decisions about issues like tenure, rewards and budgets without having a sense of what really drives an institution in terms of its soul. Board members must understand these issues and make those decisions.

In my present situation, I hear a lot about faculty productivity, tenure and budget cuts. But, it seems to me that in order to meet society's needs, we must think more carefully about who your students are, where they are coming from and where the society is. Most people give little thought to what happens when the professor stands in the classroom and begins to engage the students.

I am presently working on a very daunting challenge — to transform the undergraduate student culture from one of credit acquisition to one of learning. It is extraordinarily difficult, and I find myself in direct opposition to my student affairs colleagues, who think that student affairs should not be about student learning, and my faculty colleagues, who want to teach in a different manner on different topics. When I begin to think about these issues, my frame of reference is dual in nature. First, I consider not only the institution's mission but the soul of the institution, the heart of education. Second, I am concerned about organizing the mission more around students, not about meeting their expectations, but transforming their expectations so that they become effective learners in an information society.

JUDITH RAMALEY: I want to put the two together by addressing the external pressure on us to show that we are using our resources effectively and efficiently by incorporating the heart and soul of the institution. The two schools of thought are inextricably connected and should cause you to start asking the questions you should have been asking yourself all along. If you are

faced with resource constraints or with public pressure, it is time to engage the same critical thinking we all brought to the academy in the first place — the ability to ask questions, conduct research and find answers. For example, when I first came to Portland State, I looked at the graduation rate and thought the numbers looked rather strange. I asked the simple question, "Why do we have such a low graduation rate?" I was told these rates were normal for an urban institution because our enrollment is more volatile, since our students face difficult issues that can interfere with their education. I then asked for data from other urban institutions and found we had not collected any. So, we developed a pattern of exchange of information and quickly discovered Portland State had the worst graduation rate among the 20 urban universities with whom we exchanged data. At this point, I asked a group of faculty to figure out why. Their probing created an impetus for change. They concluded we had not created a culture on campus of real engagement in learning — a learning community.

We studied the literature and discovered the conditions that create academic engagement are usually found at small liberal arts colleges with high residential life. Portland State is a large urban university with practically no residential life. The faculty then began asking, "How can we create those conditions at an urban campus?" They found the answer by redesigning the curriculum. At Portland State, we have completely overhauled the curriculum so it is no longer a distribution requirement. We provide students with a four-year integrated set of experiences that create a series of learning communities. Students choose issues of interest to them and participate in service-learning components that engage them in civic and social activities that go well beyond the traditional classroom methods of teaching. We have increased our retention rate from roughly 50% (from year one to year two) to 92% in three years. This change, or restructuring, started with the problem of external pressure on our resources. Because so many of our students were leaving prior to completing a degree, we were having to spend more money and time recruiting new ones. Our efforts originated from a crass, commercial, political question of "How come you have such lousy retention rates?" By the time we finished, it had turned into a deeply intellectual, spiritual question of "What was our relationship with our students, their relationship to each other and what could we do to completely change the undergraduate experience?"

These changes have dramatically increased our productivity level. Today, we are teaching the same number of students with 20% fewer faculty members. That is the story you pick up in the newspapers. But, that is not the significant story. The more important story is that the faculty became interested in the right kinds of tough, good questions and realized we were not doing what we thought we were doing, nor what we claimed we were doing well. We were not focusing on what really mattered. Although budget problems triggered this reform, our efforts created a genuine spiritual change at the institution that is dramatic and far-reaching. These changes affect not only undergraduate education, but graduate education (by altering the nature of our research mission) and the way we interact with other institutions, government and business. So, it has had a consequence much more dramatic and meaningful than the usual discourse would suggest. And, it is because we asked good, tough, honest questions — the same we expect from our faculty when they are engaged in their scholarly work.

Finally, because this reform came from within the faculty, rather than being imposed on the faculty by administrators, we have had no complaints. We have not had people voting "no confidence" in the president or in our board. We have not had faculty actively arguing against change because they are the ones who initiated it.

CHARLES REED: We may have different kinds of legislators in Florida than you do in Indiana and Oregon. They want accountability. As public servants, we have to figure out, frankly, how we are going to educate. I want the same thing you do. I want to provide students with the absolute best educational experience and cultural environment to enhance their learning. But I cannot sell culture and institutional spirit to Florida legislators. I must show them the stewardship of the public's money and what we have done or not done. I have a $3 billion budget and with it comes a lot of questions I must answer. I think we must start paying more attention to teaching, to "benchmarking" and to showing the quality that we instill. I have tried to sell the value-added component of higher education to the Florida legislature. After all, students primarily get a university or college education because they expect to receive some additional economic (and cultural) benefit. State taxpayers support higher education because of the added value of having an educated population. In Virginia, they pay 50%, in Florida 75%.

RONALD CARRIER: We are starting at a different level. We have the lowest administrative costs among our peer institutions. For years, 92% of our freshmen have come back as sophomores, and 84% of our students graduate. So, actually, we have already achieved many of the things you are working on. We are now engaging in a new level of restructuring. We are brainstorming about ways to improve the curriculum so every course is an effective course. We are talking about having objectives for the departments, syllabi for every course, research that relates to the learning environment, 100% merit pay, reorganizing degrees that are not as productive as they should be and service learning (we have 3,000 students involved in service-learning programs). We are trying to reach the next level. However, reforming general education is a challenging and painful experience. For instance, we are trying to limit the students' ability to select courses for their non-western civilization experience. We want to reduce the number of course options from 72 classes to 15. To do this, we must first determine what we want students to learn about non-western civilizations. We are going through the curriculum in that fashion. Were our restructuring efforts driven by external forces? Absolutely. You are always driven by external forces. But, the objective is to use the public's call for restructuring as a launching pad for creating a better educational experience for students.

JUDITH RAMALEY: I want to make it perfectly clear that institutions can maintain their souls and increase productivity at the same time. I do not want us to lose that point. As Portland State has gone through the changes, we have been instituting very effective models of restructuring in our administrative units. We have implemented some interesting research models that have brought millions of new dollars into the state because of the capacities we have developed through collaboration. So, the numbers on the wall that the legislature looks toward are all moving in the correct direction. For example, full-time faculty teach almost all of our courses now. We no longer have adjunct faculty teaching numerous extra sections. So, the

individual faculty are not teaching more; they are teaching differently. The numbers on the wall — the number of full-time-equivalent faculty — have gone the right direction, because we essentially eliminated adjunct faculty members unless their contribution is particularly critical to a program. We also have found other productivity indicators that show we are using our dollars better and getting more as a result from each dollar (both in administrative costs and in academic costs). Our research productivity has tripled in four years, as well. We have done all of this while cutting our budget 25%. So, it is possible for all the numbers to move the right way and, at the same time, retain "the soul of the enterprise" which is not restricted to small liberal arts colleges with particular philosophical or religious roots that promote this kind of activity. It can happen in large public universities like yours and mine.

HERMAN BLAKE: My point about spending time learning about the institution was directed at legislators who take an approach which compares the university or the academy to correctional institutions and all sorts of other agencies. I, frankly, object to the productivity metaphors because they take us far away from the issues we need to address. I think legislators, as well as the rest of us, need to spend more time learning what it is that makes each institution special and the importance of what they do.

GORDON DAVIES: Excuse me, I am going to intervene for a moment. I want to make sure that this discussion does not deteriorate into a conflict between the large, impersonal universities and the smaller, caring institutions. I do not think it is fair to let this panel divide that way.

COMMENT FROM THE AUDIENCE:

Right, things are happening on all three of these campuses, but the real question is, "Why aren't there more of them? How do you create a policy environment where you can nurture a theory of change and at the same time, encourage others to try some things as well? I think that is the policy question — not how to a micro-manage change at any given institution.

JUDITH RAMALEY: In order for institutions to create the conditions we are talking about, policymakers must adequately define academic productivity. If it is defined in such a way that you examine the presence of best practices and student outcomes and you use evidence that points to the quality of the educational experiences (as well as some of the more numerical outcomes), then you and your legislative governance framework are operating off the same page.

COMMENT FROM THE AUDIENCE:

Implementing restructuring efforts in Virginia and Oregon appears to have been somewhat easier because those states took very big cuts in higher education. In Florida and Illinois, however, administrators are trying to promote change while also increasing their budgets. Are there other ways of achieving reform in the absence of draconian situations like massive budget cuts?

JUDITH RAMALEY: Well, certainly, I think so. Huge cuts do not produce the creativity and the outcomes we are describing. They wake people up and provide the appropriate framework for them to ask the right questions. You can do the same thing without cutting your budget, if you ask the right questions and engage people's critical interest in answering them. So, there is a way to operate without having to get hit over the head with a sledgehammer.

QUESTION FROM THE AUDIENCE:

Do universities face similar challenges in restructuring research and other faculty roles besides teaching?

CHARLES REED: That is a very difficult issue. I think we have to justify better both research and service as part of our institutions' mission. I think we can justify, probably, 50-60% of what we are doing in research and feel really good about it. I am concerned with the last 40% of research, most of which comes on the "release time" side. In some disciplines, it will be easier than in others. In the sciences, we are much more comfortable in documenting that kind of research. In some of the softer disciplines, we have not reached that comfort level yet.

JUDITH RAMALEY: At the national level, a related issue has arisen on collaborative research. I recently finished chairing the biological sciences advisory board for the National Science Foundation. At the last meeting, we spent a great deal of time talking about how the use of faculty time at research universities and at doctoral institutions has changed, and the need for the major sponsoring agencies to think differently about how research will be conducted in the future. Academic research is moving away from individual investigators toward different kinds of collaborative models — either on a campus (within a discipline or across disciplines) or linking a campus to other institutions.

A path-breaking example is Portland State's work with what used to be called the Children's Services Division of state government. The project, which focuses on foster kids, foster parents, kids at risk and child welfare brings together university faculty, university students, agency employees and community volunteers to create better conditions for Oregon's children, while simultaneously conducting research (both empirical and applied). Unfortunately, this project cannot be evaluated on the same scale as more traditional research projects because it cannot be attributed to a particular source. So, we face a second issue beyond determining how research is

conducted. We must also determine the best way to show the amount of work we are doing and the impact we are having. We are trying to develop new measures now.

Collaborative models are more expensive in the sense of use of time because you have to spend more effort to work together with a group of people. But, I think that model will increasingly engage the interests of our faculty and will eventually alter doctoral education in dramatic ways. In the future, we will use faculty time very differently in research as we are already doing in institutional curriculum. It will not be simplified; it will be just the opposite. It will be more complex.

QUESTION FROM THE AUDIENCE:

How have these changes altered the nature of leadership roles in higher education?

GORDON DAVIES: From my perspective, having been engaged in this whole restructuring process for four or five years, I can see changes within our organization and changes in the way we work. For one thing, the old regulatory processes (e.g., program approval processes) are much less important than they used to be. Rather than control mechanisms, we use conversational mechanisms to try to build consensus among institutional presidents, vice presidents and faculty members. I have found myself in a position where I have got an entirely new job. Let me ask the panel members how their jobs have changed.

RONALD CARRIER: Before any institutional change can be made, you must have support among campus leaders. So, we work more with the department heads and the deans by trying to decentralize more functions and giving more attention to objectives than we did in the past. Personally, I was one of those that got a "no confidence" vote. It certainly wasn't something we sought, but it actually freed us to go ahead and make some changes we might not have done otherwise. We got it out of the way.

CHARLES REED: I spend significantly more time on strategic planning than I did prior to our restructuring efforts. I spend more time trying to figure out how we can do away with systemwide rules and regulations and give institution leaders, who are closer to the students, more leeway to make decisions. I also spend much more time looking at data from an accountability standpoint and trying to ascertain how we can provide our students with a much better education without substantial additional cost. Florida, unlike many states, is still experiencing growth in higher education. We have to grow as a university system just to keep up with the high school graduation rates. So, I must balance our ability to maintain access for our citizens with the need to maintain and improve the quality of education. I spend much of my time working on this balancing act and coming up with new ways to ensure that customers are still willing to pay for public education in this state. Finally, I try to raise challenges and question practices. For example, I firmly believe university self-governance is one of the biggest strengths of our institutions. But, if you rely on self-governance too much, it becomes a weakness. So, I

question some of the self-governance concepts we have today. We have to step back and see what happens.

HERMAN BLAKE: I spend much of my time dealing with grassroots community people, both inside and outside of the university. I try to get them to understand the difference between what they often seek and what can happen if they become more engaged in the educational process. With faculty, I try to get them to understand how they need to rethink their conceptions of the students who are coming to them and strategies for teaching them. Finally, I encourage faculty and administrators to examine the values and perspectives they use to make judgments (which are very often irrelevant to the essence of the situation with which they are dealing).

JUDITH RAMALEY: The role of leadership is changing dramatically, whether you are at a system level, a campus level or a leader within the institution. First, more individuals throughout the organization are taking on leadership roles — which means I now spend a great deal of time asking those Socratic, important questions that Charles Reed asked. I also spend time listening to people and matching people up in combinations that would not occur to them naturally. Finally, I interpret and tell stories. When you are going though rapid change, it is hard to figure out the meaning of what you do individually, how you fit into a new group and how to explain the curious fatigue associated with change — the fatigue that is created, in part, by the fact that you cannot relax into familiarity and redundancy. So, I spend time tending to that change process — helping people understand it, trying to give voice to the common experience that I have picked up from a lot of people and searching for metaphors that help people understand what is going on and give it a more positive meaning. My role as president, then, has grown into one of a teacher. I now facilitate rather than prescribe. When I first went into administration, I carried a little three-ring binder in my purse so I could write down useful phrases I heard. I found my notes in a folder not long ago. One of the original phrases I wrote was, "defines and then assigns." Well, not anymore. Today, presidents tell stories, match people up, give validity and value to people's experience and encourage them to continue — the things we have discussed today.

QUESTION FROM THE AUDIENCE:

While I realize that increased funds do not necessarily guarantee improvements in education, the United States cannot afford to let the quality of its institutions deteriorate. How can we improve the quality of education in the face of budget cuts?

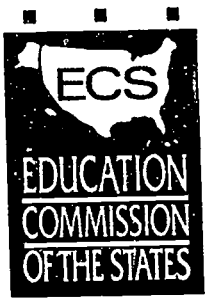
RONALD CARRIER: Budget cuts will force the role of faculty members to change. If we are to maintain or improve the quality of education in this country, faculty members will need to be more committed to the institution and its outcomes rather than being committed to the profession. In order to facilitate this change, we need to clearly define our objectives. At James Madison University, 85% of our students will take at least one math class in their lifetime. The mathematics department views its goal as providing students with math skills they will need in their professional lives. At some institutions, however, mathematics professors view their

department's main objective as producing math majors. Therefore, we must improve the definition of our mission and objectives and tie our resources into these new goals in order to improve the quality of education. I also think we can improve quality by making faculty members more comfortable using technology, by using the most underused resource on campus — students teaching students — and by engaging students in more cooperative kinds of learning experiences.

JUDITH RAMALEY: I begin my answer by describing what I think quality means. Too often, we throw that word around without ever reaching a common definition. For me, a quality education not only teaches a student something, but it teaches him or her how to apply that knowledge. The definition requires us to look at how people use their time — in the classroom, in research or in developing and maintaining relationships in the community. Is the current use of time adding value to the institution? Is it creating an environment in which people not only study but also learn how to apply what they are studying? Judging time allocation in this manner, it is possible to reduce your budget 10, 15 or 20% and enhance quality because you are using your time more wisely and in a more directed way to achieve results.

GORDON DAVIES: I think you will agree with me that the work of the three institutions represented here and in the Florida system is, indeed, remarkable. We are not backing off of our commitment to providing access to students. We are committed to different change strategies. But, we are all committed to change. Elisabeth Kubler-Ross' description of how people come to grips with their own fatal illnesses in *On Death and Dying* seems to apply to restructuring and the kinds of changes we are pursuing. First, you deny the need to change. You say, "This is not necessary." Second, you get angry and kick anything you can — the dog or the president or the dean or the board or whatever you can. Third, you get very depressed. Fourth, you begin to bargain — get what you can, try to get the best deal that you can. Finally, if you are successful in going through this process, you accept the inevitability of change and get on with the work that needs to be done. This process is far from linear, of course, so you periodically loop back into different stages.

This analysis reminds me of an incident at Virginia Tech a couple of years ago when Tech had just received a 5% increase in funding. A faculty member came into the provost's office, threw the newspaper recounting the increase on the table and said, "That is the end of restructuring" and walked out. Of course, it was not the end of restructuring. The institution took a 2% decrease the year after and the need went on. But, all of us, I think, are engaged in this cycle described by Kubler-Ross as we go through the process of restructuring. It is a profoundly dislocating experience. It is one of the reasons for the fatigue we have mentioned — you don't have anything firm to hold on to. In all of this, the panelists and many of those who play their roles throughout American higher education deserve our admiration and our thanks for coming here today to share their experiences with us.



Education Commission of the States
707 17th Street, Suite 2700
Denver, Colorado 80202-3427
303-299-3600
FAX: 303-296-8332
e-mail: ecs@ecs.org